

# Drug Intelligence Brief



DRUG ENFORCEMENT ADMINISTRATION  
INTELLIGENCE DIVISION

April 2000

## NICARAGUA—COUNTRY BRIEF

DEA Office Responsible	Nicaragua Country Office
Population	4,357,099 (April 1995)
Area	120,254 square kilometers (46,430 square miles)
Capital	Managua
Type of Government	Constitutional Republic

### Nicaraguan Top Government Officials

President	Arnoldo Aleman Lacayo
Vice President	Enrique Bolanos Geyer
Minister of Foreign Affairs	Lic. Eduardo Montealegre
Minister of Government	Ing. Jaime Cuadra Somarriba
Minister of National Defense	Lic. Pedro Joaquin Chamorro



## HISTORICAL COMMENT

Nicaragua's internal conflict between the leftist Sandinista (FSLN) Government of Daniel Ortega and the anti-Sandinista *Contra* insurgency officially ended in August 1989 when the Presidents of Central American countries signed a peace agreement providing for the voluntary demobilization of *Contra* forces within 90 days in exchange for free elections in February 1990. A coalition of opposition political parties, led by Violeta Barrios de Chamorro, won an unexpected victory over Daniel Ortega in the 1990 election.

The optimism following the peaceful transition of power from the FSLN to a noncommunist-elected government was short-lived, due to the huge problems facing the new government. Daniel Ortega, who never fully accepted his defeat at the polls, maintained control of the Nicaraguan military. During Chamorro's Administration, Nicaragua experienced an unstable governing alliance, continued poverty, political conflict, public sector strikes, and opposition from the FSLN. Chamorro was succeeded by Nicaragua's current President, Arnoldo Aleman Lacayo, who defeated Daniel Ortega in Nicaragua's second post-war election, held in October 1996.

Nicaragua's economic and social problems worsened at the end of October 1998, when Hurricane Mitch destroyed large sections of the country's infrastructure and economy. Up to one million people lost their homes, and Nicaragua's agricultural sector suffered extensive losses from flooding, crop damage, and destroyed transportation networks. The hurricane's long-term effects included the displacement of large numbers of rural residents to Nicaragua's already overcrowded cities, which presented challenges to the stability of Nicaragua's political system.

## OVERVIEW

Traffickers use Nicaragua as a transshipment and staging area for routing shipments of cocaine hydrochloride (HCl) to North America and Europe. Drug traffickers are attracted to the country's geographical location between Colombia and the United States, its long Pacific and Atlantic coastlines, and the Pan-American Highway, which runs the length of the country. Also attractive to traffickers are the primitive social conditions in Nicaragua, which have left large areas of the country with little ability to conduct law enforcement operations, especially in the Caribbean Region and around the northeast border with Honduras. Nicaragua's underdevelopment has also hindered air and maritime interdiction efforts, as well as police preparedness. Nicaragua's unique historical situation and its civil conflicts have left the country with a tradition of armed rural groups, which greatly complicate narcotics-related law enforcement efforts.

**Drug Seizures in Nicaragua 1992 - 1999**

	1992	1993	1994	1995	1996	1997	1998	1999
Cocaine (metric tons)	155	96	1,337	1,512	398	2,790	4,750	1,076
Heroin (kilograms)	0.8	0	0	0	1	2	0.6	2
Marijuana (kilograms)	500	235	400	347	855	285	612	922
Cannabis Plants Eradicated	31,068	9,808	92,534	53,776	53,528	24,239	833,943	308,200
"Crack" (rocks)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10,568

*Source: Nicaraguan National Police, the DEA, and INCSR 1992-1999*

## CULTIVATION AND PRODUCTION

Limited cannabis cultivation is concentrated in the north-central region near Matagalpa and in mountainous regions along the Honduran Border. Marijuana produced by small growers in Nicaragua is of low quality and for domestic consumption. No evidence of marijuana exportation has appeared yet, although the eventual threat of exportation exists.

In December 1998, the Nicaraguan police discovered a large-scale cannabis-growing operation close to the Managua Airport. Nicaraguan police found and destroyed a total of 600,000 cannabis plants that were growing on a 57-hectare farm operated by Hemp-Agro International Nicaragua S.A., a company jointly owned by Nicaraguan and Canadian nationals. The next year, in a follow-up operation at the farm, the Nicaraguan police eradicated 280,000 cannabis plants—the largest number of plants eliminated during a single operation during 1999. The second eradication effort was conducted in July to clear the Hemp-Agro fields after the land became overgrown with cannabis seedlings that had sprouted during the rainy season.

Eradication efforts normally are launched with the assistance of Nicaraguan Air Force helicopters. In the past, officials have focused primarily on mountainous areas near Matagalpa. Apart from the Hemp-Agro operation, the largest cannabis eradication effort conducted by the Nicaraguan National Police in 1999 in the Matagalpa area eliminated 20,000 cannabis plants that were intended to produce marijuana for domestic consumption. In June, an operation near Jinotega eliminated 10,000 plants, while a third operation along the Caribbean coast resulted in the eradication of 8,000 plants.

To date, no coca or opium poppy cultivation has been discovered in Nicaragua.

## CHEMICALS

Nicaragua does not produce chemicals that are used in illicit drug production. However, although exact numbers are unavailable, precursor chemicals used in the illegal manufacture of cocaine and methamphetamine are being imported into Nicaragua in quantities that appear to exceed legitimate local demand. There have been uncorroborated accounts of cocaine processing laboratories in the northeast regions of Nicaragua, on the border with Honduras.

## DRUG TRAFFICKING TRENDS

The primary drug threat in Nicaragua is the transshipment of cocaine from Andean source countries (particularly Colombia) to markets in North America and Europe. Nicaragua's most vulnerable approach is located along the sparsely populated, geographically isolated Caribbean coast. Drug trafficking is the principal economic activity in several coastal communities. Also important are maritime routes along the Pacific Coast of Nicaragua and the overland route along the Pan-American Highway.

Several major maritime drug trafficking routes have been identified along both the Caribbean and Pacific coasts of Nicaragua. The three most significant trafficking routes in the Caribbean that utilize small "go-fast" boats include a direct route from the mainland coast of Colombia to Nicaragua; a more widely used route from Colombia to Nicaragua via the Colombian islands of San Andres or Providencia; and, finally, a route known as "coast hopping" that follows Nicaragua's Caribbean coastline close to shore. In 1998, a record cocaine seizure from a go-fast boat on the western coast provided clear evidence of the scale of trafficking along the Pacific. Go-fast boats can transport loads ranging from 1,000 to 2,000 kilograms of cocaine. These boats are typically *Eduardono* fiberglass launches between 20 and 36 feet long with twin outboard engines of from 175 to 250 horsepower each. The largest cocaine seizures made from go-fast boats in 1998 included a seizure of 1,610 kilograms of cocaine from a go-fast boat near the Pacific port of San Juan del Sur on April 17, 1998 and another 1,200 kilograms of cocaine on June 5 from a go-fast boat crossing Nicaraguan territorial waters from San Andres Island en route to Cozumel, Mexico.

The primary maritime threat along the Caribbean coast originates from cocaine shipments transported from the Colombian island of San Andres, which is located approximately 115 miles off the Caribbean coast of Nicaragua. Go-fast boats typically transport multihundred-kilogram loads of cocaine from San Andres Island to Nicaragua's Caribbean coastline near the ports of Bluefields, El Bluff, and Puerto Cabezas via the Corn Islands group. The cocaine then is loaded into maritime containers or concealed in legitimate, perishable bulk cargo and shipped on commercial vessels to markets in North America and Europe. The Nicaraguan coast can also be used for refueling or temporary storage of cocaine for maritime shipments being transported from Colombia to Guatemala or Mexico. An important contributor to maritime drug trafficking in the Caribbean are familial relationships that exist between Colombia and Nicaragua on the Colombian islands of San Andres and Providencia and the nearby Nicaraguan islands of Corn and Little Corn, and the mainland port of Bluefields.

During 1999, there was only one major maritime seizure in Nicaragua: 240 kilograms of cocaine were confiscated from the hold of a cargo ship that had stopped in Corn Island, Nicaragua, while en route from Panama to Guatemala. There were no significant seizures of cocaine from go-fast boats in 1999 in Nicaragua.

The land-based threat relies upon cocaine shipments arriving in maritime containers from Colombia at Colon, Panama, at which point they are loaded onto tractor-trailers for transport north. Cargo containers

typically are off-loaded from Colombian vessels at the Panamanian port of Colon, then advanced north-bound by truck. Overland traffickers use the Pan-American Highway to transship cocaine in concealed compartments of tractor-trailer rigs to Guatemala.

In 1999, there were three significant cocaine seizures from overland trafficking attempts. The first was a seizure of 137 kilograms on March 9, seized from a pickup truck with a false floor in the cargo area. The pickup truck entered from Costa Rica and was traced to a delivery site in Managua, where the owner was arrested. The second significant cocaine seizure of 1999 took place on July 30, when 390 kilograms of cocaine were discovered hidden under a load of bananas on a truck entering Nicaragua from Costa Rica.

A third large overland seizure in Nicaragua occurred on November 8, 1999. Following the discovery of an exchange of weapons for cocaine between Nicaraguan and Costa Rican nationals, Nicaraguan National Police recovered 125 kilograms of cocaine along with over 200 semi-automatic weapons, ammunition, and anti-tank missiles. This transaction confirmed the existence of arms trafficking in Nicaragua and established the connection between drugs and guns in the Nicaraguan black market.

## **DRUG ABUSE**

Drug consumption in Nicaragua is growing, especially “crack” cocaine use. International drug traffickers often pay local Nicaraguan collaborators “in kind” with drugs or drug derivatives, which local collaborators must then distribute in the domestic drug market. Illegal drug availability in Nicaragua currently is limited to cocaine, crack, and marijuana. Crack is most abused on the Caribbean coast, especially in the Bluefields area and among Miskito Indians. Caribbean coastal residents have easy access to cocaine in transit through Nicaragua’s territorial waters. Lost cocaine loads frequently wash ashore and are found by local residents who turn them over to village elders. Single-kilogram packages are redistributed by village elders to village residents, who then sell the cocaine to Nicaraguan and Honduran traffickers, or are free to use the cocaine themselves.

The incidence of crack and cocaine use in Managua is increasing; this increase can be measured by police seizures. In addition, glue and paint sniffing have been a problem in Managua among users who lack the funds for more expensive drugs. The Government of Nicaragua is concerned that glue and paint sniffers will start using “hard” drugs as these become cheaper and more widely available. The increased use of crack among street children has been an important factor in the rise of under-age prostitution in Nicaragua, as well as in the rest of Central America.

There is not much heroin use in Nicaragua. Two kilograms of heroin were reported seized in 1999 from two female couriers en route from Costa Rica to Guatemala. Less than 1 kilogram was seized in 1998.

## **MONEY LAUNDERING**

The extent of money laundering activity in Nicaragua is unknown. However, the lack of declaration requirements in terms of the importation/exportation of currency and financial instruments, as well as the facilities available to foreigners for the purchase of real estate, enhance Nicaragua’s attractiveness to money launderers. The Government of Nicaragua and police counterparts recognize money laundering as a threat and have solicited U.S. assistance in effecting reforms.

## PRICES

Prices for cocaine in Managua range from US\$4,000 to US\$5,000 per kilogram. However, on the Caribbean coast, informants have reported that cocaine can be bought for as little as US\$2,200 per kilogram. On the coast, cocaine frequently washes ashore, after being jettisoned by the crews of Colombian go-fast boats as a result of police pursuits and aborted smuggling efforts. Crack sells for about US\$0.50 cents per rock. Marijuana sells for about US\$140 per pound.

## COUNTERDRUG ENFORCEMENT

The law enforcement entity in Nicaragua is the Nicaraguan National Police (NNP). It is comprised of 6,000 officers, of which 90 percent are involved in drug investigations. The NNP personnel are highly motivated and hardworking, but they suffer from inadequate funding, training, and lack of basic equipment, such as vehicles.

Problems and inefficiencies in Nicaragua's judiciary system have hindered drug enforcement efforts, which have made drug convictions difficult to obtain. For example, at the beginning of October 1998, a judge ordered the transfer of four convicted Colombian traffickers from a maximum security cell to one that was less secure; the traffickers immediately escaped with two Nicaraguan accomplices. No criminal charges were filed against anyone involved in the escape.

## LEGISLATION, TREATIES, CONVENTIONS

Nicaragua is a party to the 1961 United Nations Single Convention, the 1971 United Nations Convention on Psychotropic Substances, and the 1988 United Nations Drug Convention. A U.S.-Nicaraguan extradition treaty has been in effect since 1907; however, extradition of Nicaraguan nationals is prohibited by the Nicaraguan constitution. The United States and Nicaragua are negotiating a bilateral maritime counternarcotics accord, although the Nicaraguan military has expressed concern over the accord's potential impact on Nicaraguan sovereignty. Cooperation in this area is essential, because traffickers may attempt to take advantage of disputed maritime boundaries to evade pursuit by law enforcement authorities.

Bilateral cooperation exists between the United States and Nicaragua principally in the area of police training and counternarcotics equipment donations, DEA information exchanges, and interdiction cooperation. The United States has provided money for both police and drug demand reduction assistance.

## CONCLUSIONS/PROJECTIONS

Drug trafficking, drug consumption, and resulting social problems became more evident throughout 1999, as crack cocaine abuse became more widespread particularly in major cities and along Nicaragua's Miskito Coast. The increase of Nicaragua's internal drug abuse problem paralleled the increased use of drugs, most notably crack cocaine, in the rest of Central America.

The importance of Nicaragua as an attractive transshipment point and as a refueling stop for maritime traffic along both the Caribbean and Pacific coasts will continue to grow. As cocaine trafficking from San Andres Island increases, the Caribbean coast will continue to suffer disproportionately from cocaine trafficking and local cocaine consumption.

The Aleman Administration has demonstrated seriousness of purpose and commitment in combating drug trafficking and drug consumption. The new DEA office in Managua has facilitated more effective police interdiction efforts and bilateral cooperation to improve law enforcement efforts.

However, narcotics enforcement in Nicaragua faces several challenges. Although the NNP remain highly motivated and hardworking, Nicaraguan law enforcement suffers from severe training and funding deficiencies. These deficiencies include low police salaries and inadequate budgets for equipment and training, as well as an antiquated judicial system. Damage to Nicaragua's economy and infrastructure from Hurricane Mitch was extensive, and diverted Nicaragua's law enforcement capabilities. Many Nicaraguan civilians lost their houses and workplaces as a result of the storm, which could result in the relocation of large numbers of Nicaraguans to urban areas, and could potentially increase general lawlessness in both cities and the countryside. The economic cost of the hurricane, along with new pressures on law enforcement efforts, will add to the problems facing the NNP and its efforts to control drug trafficking.

This report was prepared by the Mexico/Central America Unit of the Office of International Enforcement Support. Comments and requests for copies are welcome and may be directed to the Intelligence Production Unit, Intelligence Division, DEA Headquarters, at (202) 307-8726.